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EXAMINER
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LOFTIS, JOHNNA RONEE

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE PATENT TRIAL AND APPEAL BOARD

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*Ex parte* SILVIO TAVARES, SUSAN FAHY,  
and DENNIS CARLSON

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Appeal 2016-007071  
Application 13/493,867<sup>1</sup>  
Technology Center 3600

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Before MICHAEL J. STRAUSS, BETH Z. SHAW, and  
NABEEL U. KHAN, *Administrative Patent Judges*.

KHAN, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellants appeal under 35 U.S.C. § 134(a) from the Final Rejection<sup>2</sup>  
of claims 1–17, 32 and 33. We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

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<sup>1</sup> Appellants identify First Data Corporation as the real party in interest.  
App. Br. 3.

<sup>2</sup> We refer to the Specification, filed Jun. 11, 2012 (“Spec.”); Final Office  
Action, mailed Jun. 2, 2015 (“Final Act.”); Appeal Brief, filed Nov. 2, 2015  
 (“App. Br.”); Examiner’s Answer, mailed May 10, 2016 (“Ans.”); and, the  
Reply Brief, filed Jul. 11, 2016 (“Reply Br.”).

## BACKGROUND

### THE INVENTION

According to Appellants, the invention relates to:

systems and methods for collecting point-of-sale (POS) data, and then using this data to determine the effectiveness of a given promotion. The transaction data includes a merchant identifier for each of the merchants and a transaction amount for each transaction involving the merchants. One of the merchants is a promotion merchant that is offering a promotion involving transactions made with the merchant. A portion of the transaction data is aggregated into control merchant aggregated data involving control merchants, where the control merchant aggregated data comprises transaction data obtained other than from the promotion merchant. A characteristic of the purchases is calculated, both for transactions involving the promotion merchant and for the control merchants.

#### Abstract.

Exemplary independent claim 1 is reproduced below.

1. A computerized method for calculating the effectiveness of a promotion, the method comprising:

receiving at a host computer system transaction data from a plurality of point of sale terminals that are associated with a plurality of merchants, wherein the transaction data comprises a merchant identifier for each of the merchants and a transaction amount for each transaction involving the merchants, wherein one of the merchants comprises a promotion merchant that is offering a promotion involving transactions made with the merchant, and wherein the transaction data from the point of sale terminal associated with the promotion merchant includes at least one promotional identifier that identifies the terms and conditions of the promotion such that an immediate discount is providable, wherein the promotion is redeemed by entering the promotional identifier into the point of sale terminal, and wherein the promotional identifier is separately provided to a shopper who in turn provides the promotional identifier at a point of sale

so that the promotional identifier may be entered into the point of sale terminal;

tracking by the host computer the redemption using the promotional identifier;

aggregating a portion of the transaction data into control merchant aggregated data involving control merchants, wherein the control merchant aggregated data comprises transaction data obtained other than from the promotion merchant;

calculating by the host computer system a characteristic of the purchases, both for transactions involving the promotion merchant which include the redemptions tracked using the promotional identifier and for the control merchants;

providing an output showing a comparison of the calculation, wherein the output comprises a report showing the comparison of a characteristic of the purchases made using the promotional identifiers and those made without using the promotional identifiers.

App. Br. 15 (Claims App'x)

#### REFERENCES AND REJECTIONS

1. Claims 1–17, 32 and 33 stand rejected under 35 U.S.C. § 101 as directed to a judicial exception to patentable subject matter. Final Act. 2–4.

2. Claims 1–17 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Overhultz et al., (US 2006/0277104 A1, published Dec. 7, 2006 (“Overhultz”)) and Williams et al., (US 2002/0147639 A1, published Oct. 10, 2002 (“Williams”)). Final Act. 5–8.

3. Claims 32 and 33 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Overhultz, Williams, and Novick et al., (US 2008/0065490, A1, published Mar. 13, 2008 (“Novick”)). Final Act. 8–9.

4. Claims 1–17, 32 and 33 stand rejected on grounds of nonstatutory double patenting over claims 1–28 of US 8,775,242 B2, issued Jul. 8, 2004. Final Act. 10–11.

## DISCUSSION

### REJECTION UNDER 35 U.S.C. § 101

#### *RELEVANT CASE LAW*

A patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” 35 U.S.C. § 101. The Supreme Court has held that this provision contains an important implicit exception for certain patent ineligible concepts: laws of nature, natural phenomena, and abstract ideas. *Alice Corp. Pty. Ltd. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014); *see also Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 132 S. Ct. 1289, 1293 (2012). To determine patentable subject matter, the Supreme Court has set forth a two part test: (1) whether the claims are directed to a patent-ineligible concept and, if so, (2) whether, when the claim elements are considered “individually and ‘as an ordered combination,’” there is an inventive concept present, *i.e.*, an element or combination of elements that is “sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.” *Alice*, 134 S. Ct. at 2355 (brackets in original) (quoting *Mayo*, 132 S. Ct. at 1294).

#### *FINDINGS AND CONTENTIONS*

Under the first step of the *Alice/Mayo* test, the Examiner finds the claims are “directed to a method and a system for determining the effectiveness of a promotion which includes collection of transaction and

promotion data and performing calculations and comparisons” and therefore directed to an abstract idea. Final Act. 2–3. The Examiner further finds the claims consist of “collection of transaction and promotion data and performing calculations and comparisons” and therefore are directed towards the abstract idea of a method of organizing human activities. Final Act. 3 (citing *Cyberfone Sys. v. CNN Interactive Grp.*, 558 Fed. Appx. 988 (Fed Cir. 2014); *Digitech Image Tech., LLC v. Electronics for Imaging, Inc.*, 758 F.3d 1344 (Fed. Cir 2014)); Ans. 12 (citing *Classen Immunotherapies, Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011)).

Under the second step of the *Alice/Mayo* test, the Examiner finds the claims do not include limitations that transform the invention to something significantly more than an abstract idea. Final Act. 3–4. Analyzing the limitations of the claims, individually and as a whole, the Examiner finds “[t]he claims do not include improvements to another technology or technical field; nor do they include improvements to the functioning of the computer itself. The claims merely amount to the application or instructions to apply the abstract idea on a general purpose computer, and require nothing more than a generic computer system.” Final Act. 4. The Examiner finds “the claims, when considered as a whole, are nothing more than the instruction to implement the abstract idea in a well-understood, routine and conventional technological environment.” Final Act. 4.

Appellants take issue with the Examiner’s findings under the first step of the *Alice/Mayo* test and argue the Examiner has not shown that the alleged abstract idea (determining the effectiveness of a promotion) is similar to concepts that courts have identified as abstract. App. Br. 6. Appellants attempt to distinguish *Cyberfone* and *Digitech* by arguing that,

even if these cases involve claims directed to “organizing, storing, and transmitting data, as well as performing calculations and comparisons,” they do not involve the alleged abstract idea of determining the effectiveness of a promotion. App. Br. 7. Characterizing their claimed invention as directed to “the calculation of a characteristic of the purchases and the provision of an output showing a comparison of the calculation,” Appellants further attempt to distinguish *Cyberfone* and *Digitech*, arguing that the claims involved in those cases did not involve such calculations, comparisons, and output. See Reply Br. 5–6.

Appellants also argue the claims are “‘necessarily rooted in computer technology,’ as in *DDR*, *supra*, because they necessarily require a special-purpose computer.” App. Br. 7 (quoting *DDR Holdings, LLC v. Hotels.com, L.P.*, 773 F.3d 1245, 1257 (Fed. Cir. 2014)). According to Appellants, the claimed point of sale (“POS”) terminals and host computer are special purpose computers because they require specific programming to be able to perform operations relating to “receiving data, tracking redemption of promotional identifiers, aggregating transaction data, calculating a characteristic of purchases, and providing a graphical report.” App. Br. 8.

Under the second step of the two-step test, Appellants argue the “claims recite significant limitations that preclude those claims from monopolizing, or ‘tying up,’ any abstract idea alleged by the Office Action.” App. Br. 8. Providing one example, Appellants point out that the claims do not preclude other methods of determining the effectiveness of a promotion that do not require a promotional identifier being redeemed at a point of sale terminal. App. Br. 10.

Appellants also argue the claims are novel and non-obvious, which undercuts the Examiner's finding that the claims recite elements used in their well-understood, routine, and conventional manners, and also shows that the claims do not monopolize all ways of determining the effectiveness of a promotion. App. Br. 11.

*ANALYSIS*

*Step One of Alice/Mayo Test*

We are unpersuaded by Appellants' arguments and find the Examiner did not err in concluding the claims are directed to an abstract idea. Claim 1 is directed to a "method for calculating the effectiveness of a promotion." The method consists of the steps of (1) receiving transaction data from point of sale terminals wherein the transaction data includes data from transaction associated with a promotion, (2) tracking redemptions of the promotional identifier, (3) aggregating transaction data from control merchants where the promotion was not used, (4) calculating a characteristic of the purchases for transactions involving the promotion and not involving the promotion, and (5) providing an output showing a comparison of the purchases made using the promotion and those made without. App. Br. 15 (Claims App'x.)

The first three steps outlined above all relate to receiving and collecting information to track transactions involving the use of the promotion and those not involving a promotion. The fourth step involves calculations performed on the data associated with purchases made with and without the promotion. The fifth step involves outputting a comparison of the calculation showing how purchases made using the promotion compare to those made without the promotion. We agree with the Examiner that the claims are, therefore, "directed to a method and a system for determining the



effectiveness of a promotion which includes collection of transaction and promotion data and performing calculations and comparisons.” Final Act. 2–3. We add that the claims also involve displaying or outputting those calculations and comparisons.

Our reviewing court has found abstract ideas in claims directed to collecting information, analyzing it, making comparisons, and displaying (or outputting) the results.. *See Electric Power Group, LLC, v. Alstom*, 830 F.3d 1350, 1353 (Fed. Cir. 2016) (“The focus of the asserted claims . . . is on collecting information, analyzing it, and displaying certain results of the collection and analysis.”); *Content Extraction and Transmission LLC v. Wells Fargo Bank, N.A.*, 776 F.3d 1343, 1348 (Fed. Cir. 2014); *Classen Immunotherapies Inc. v. Biogen IDEC*, 659 F.3d 1057 (Fed. Cir. 2011) (holding a claim involving “the idea of collecting and comparing known information,” without more, is directed to an abstract idea).

Appellants characterize their claims as directed to “receiving data, tracking redemption of promotional identifiers, aggregating transaction data, calculating a characteristic of purchases, and providing a graphical report,” (App. Br. 8) which further supports the conclusion that the claims are directed to an abstract idea as such a characterization illustrates the similarity of the claims to others already found to be abstract under Federal Circuit case law. *See also* Reply Br. (characterizing Appellants’ claimed invention as directed to “the calculation of a characteristic of the purchases and the provision of an output showing a comparison of the calculation”).

Thus, we find no error in the Examiner’s finding that the claims are directed to an abstract idea.

*Step Two of Alice/Mayo Test*

We agree with the Examiner that the claim limitations, when analyzed individually and as an ordered combination, do not amount to significantly more than the abstract idea of determining the effectiveness of a promotion which includes collection of transaction and promotion data and performing calculations and comparisons. We are not persuaded by Appellants' arguments that the point of sale terminals and the host computer, being specifically programmed, transforms the claims to something more than the abstract idea.

The claims are not directed to improvements to the POS terminals or to the claimed host computer and thus are not rooted in computer technology. Instead, the POS terminals are used in their well-understood, routine, and conventional manner. Appellants' Specification acknowledges that the "[u]se of POS terminals 120 in effectuating transactions is well known in the art." Spec. ¶ 53. The Specification describes that "[s]uch POS terminals may be provided in brick and mortar stores, *or may constitute any computing device that may connect to a network*, such as the Internet." Spec. ¶ 47 (emphasis added). Similarly, the host computer is described as a standard computer "includ[ing] one or more processors 510, including without limitation one or more general-purpose processors and/or one or more special-purpose processors." Spec. ¶ 96.

Further, the fact that the claims do not tie up all ways of determining the effectiveness of a promotion, even if true, does not necessarily mean the claims are patentable because "[w]hile preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility." *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*,

788 F.3d 1371, 1379 (Fed. Cir. 2015). Moreover, “[w]here a patent’s claims are deemed only to disclose patent ineligible subject matter under the *Mayo* framework, as they are in this case, preemption concerns are fully addressed and made moot.” *OIP Techs., Inc. v. Amazon.com, Inc.*, 788 F.3d 1371, 1362–63 (Fed. Cir. 2015), cert. denied, 136 S. Ct. 701 (2015).

Finally, as we discuss below, we do not agree with Appellants that the claims are novel and non-obvious. Regardless, while “novelty in implementation of the idea is a *factor* to be considered . . . in the second step of the *Alice* analysis” (*Ultramercial, Inc. v. Hulu, LLC*, 772 F.3d 709, 715 (Fed. Cir. 2014) (emphasis added)), “the addition of merely novel or non-routine components to the claimed idea [does not] necessarily turn[] an abstraction into something concrete” (*Ultramercial, Inc.*, 772 F.3d at 715). “Groundbreaking, innovative, or even brilliant discovery does not by itself satisfy the § 101 inquiry” (*Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2117 (2013)). “[P]atent-eligibility does not turn on ease of execution or obviousness of application. Those are questions that are examined under separate provisions of the Patent Act.” *Rapid Litig. Mgmt. Ltd. v. CellzDirect, Inc.*, 827 F.3d 1042, 1052 (Fed. Cir. 2016) (citing *Mayo*, 132 S. Ct. at 1304). Appellants’ argument that the claims are novel and non-obvious and therefore not directed to conventional elements is unpersuasive.

#### REJECTION UNDER 35 U.S.C. § 103(A)

Appellants argue “there is no motivation for a person of skill in the art to combine the [Overhultz and Williams] references as described in the Office Action.” App. Br. 12. According to Appellants, “Overhultz is intended to provide a method of determining the effectiveness of a

promotional display and does not determine the effectiveness of a separately distributed promotional identifier in getting shoppers to make purchases.”

App. Br. 12. “Overhultz would have no use for the promotional identifier of Williams that allegedly identifies the terms and conditions of the promotion such that an immediate discount is provided because such a promotional identifier entered into a POS provides no benefit in attempting to determine the effectiveness of the use and placement of a promotional display.” App. Br. 12–13. Appellants also argue the combined Overhultz and Williams system “would determine if sales increased based on the use of an in-store display and would also issue and redeem promotional identifiers, but would never contemplate comparing transactions involving coupons with those that do not.” App. Br. 13. Finally, Appellants argue “the promotional identifier of Williams would alter the principle of operation of Overhultz” because “Overhultz’s intended purpose is to measure the effectiveness of an advertising display . . . Overhultz is not intended to track redemption and effectiveness of a promotional identifier, coupon, or other discount instrument.” App. Br. 13.

These arguments are unpersuasive because they either misunderstand the Examiner’s combination, or assume bodily incorporation of the second reference into the first. Appellants do not dispute that Overhultz teaches determining the effectiveness of a promotional display, nor do they dispute that Williams teaches the use of promotional identifiers such as coupons. Instead, they argue that the combination of the two would lead to a situation where sales were determined based on both a promotional display and a promotional identifier. Here, however, the Examiner proposes substituting

Williams' promotional identifier with Overhultz's promotional display, not having both in the modified system. Ans. 14–15.

Further, we disagree that one of ordinary skill would not be able to combine the teachings of Overhultz and Williams. “The test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference. . . . Rather, the test is what the combined teachings of those references would have suggested to those of ordinary skill in the art.” *In re Keller*, 642 F.2d 413, 425 (CCPA 1981). Appellants incorrectly assume the combination of Overhultz and Williams requires a bodily substitution, one for one, of Williams' promotional identifier for Overhultz's promotional display. Rather, it is the teachings of the two, as understood by one of ordinary skill in the art, which lead to the claimed invention. Appellants have not alleged that combining the two references would be beyond the skill of the ordinary artisan and have not persuasively shown that the combination would necessarily alter the principle of operation of either reference.

#### REJECTION ON GROUNDS OF NONSTATUTORY DOUBLE PATENTING

The Examiner rejects claims 1–17, 32 and 33 on the grounds of nonstatutory double patenting over claims 1–28 of US 8,775,242. Final Act. 10. Appellants do not present any arguments against these rejections, thus waiving any arguments with respect thereto. Accordingly, we summarily sustain the double patenting rejection of claims 1–17, 32 and 33.

#### DECISION

The Examiner's rejections of claims 1–17, 32 and 33 are affirmed.

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No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 41.50(f).

AFFIRMED